

Senate Bill No. 41

CHAPTER 538

An act to add Section 10123.196 to the Insurance Code, relating to disability insurance.

[Approved by Governor September 27, 1999. Filed
with Secretary of State September 28, 1999.]

LEGISLATIVE COUNSEL'S DIGEST

SB 41, Speier. Disability insurance: contraceptive coverage.

Existing law governing disability insurance imposes certain requirements relating to coverage for certain benefits and services.

This bill would require certain individual and group policies of disability insurance that are issued, amended, delivered, or renewed on or after January 1, 2000, to provide coverage, under the same terms and conditions applicable to other benefits, for a variety of federal Food and Drug Administration approved prescription contraceptive methods, subject to exemption for religious employers, as specified.

The people of the State of California do enact as follows:

SECTION 1. This act shall be known and may be cited as the Women's Contraception Equity Act.

SEC. 2. Section 10123.196 is added to the Insurance Code, to read:

10123.196. (a) Every individual and group policy of disability insurance issued, amended, renewed, or delivered on or after January 1, 2000, that provides coverage for hospital, medical, or surgical expenses, shall provide coverage for the following, under the same terms and conditions as applicable to all benefits:

(1) A disability insurance policy that provides coverage for outpatient prescription drug benefits shall include coverage for a variety of federal Food and Drug Administration (FDA) approved prescription contraceptive methods, as designated by the insurer. If an insured's health care provider determines that none of the methods designated by the disability insurer is medically appropriate for the insured's medical or personal history, the insurer shall, in the alternative, provide coverage for some other FDA approved prescription contraceptive method prescribed by the patient's health care provider.

(2) Outpatient prescription coverage with respect to an insured shall be identical for an insured's covered spouse and covered nonspouse dependents.

(b) Nothing in this section shall be construed to deny or restrict in any way any existing right or benefit provided under law or by contract.

(c) Nothing in this section shall be construed to require an individual or group disability insurance policy to cover experimental or investigational treatments.

(d) Notwithstanding any other provision of this section, a religious employer may request a disability insurance policy without coverage for contraceptive methods that are contrary to the religious employer's religious tenets. If so requested, a disability insurance policy shall be provided without coverage for contraceptive methods.

(1) For purposes of this section, a "religious employer" is an entity for which each of the following is true:

(A) The inculcation of religious values is the purpose of the entity.

(B) The entity primarily employs persons who share the religious tenets of the entity.

(C) The entity serves primarily persons who share the religious tenets of the entity.

(D) The entity is a nonprofit organization pursuant to Section 6033(a)(2)(A)(i) or (iii) of the Internal Revenue Code of 1986, as amended.

(2) Every religious employer that invokes the exemption provided under this section shall provide written notice to any prospective employee once an offer of employment has been made, and prior to that person commencing that employment, listing the contraceptive health care services the employer refuses to cover for religious reasons.

(e) Nothing in this section shall be construed to exclude coverage for prescription contraceptive supplies ordered by a health care provider with prescriptive authority for reasons other than contraceptive purposes, such as decreasing the risk of ovarian cancer or eliminating symptoms of menopause, or for prescription contraception that is necessary to preserve the life or health of an insured.

(f) This section shall only apply to disability insurance policies or contracts that are defined as health benefit plans pursuant to subdivision (a) of Section 10198.6, except that for accident only, specified disease, or hospital indemnity coverage, coverage for benefits under this section shall apply to the extent that the benefits are covered under the general terms and conditions that apply to all other benefits under the policy or contract. Nothing in this section shall be construed as imposing a new benefit mandate on accident only, specified disease, or hospital indemnity insurance.

